

FIRST REPORT

OF THE

Saint Catharines and Welland Canal GAS LIGHT COMPANY.

In presenting their First Report to the Shareholders of "The St. Catharines and Welland Canal Gas Light Company" after the Works have been in operation more than two years, it is the obvious duty of the Board of Directors to offer an explanation of the causes which have produced so great delay.

The entire Capital of the Company has been absorbed in the construction of the Works. This was chiefly owing to the unexpected rise in the cost of both labor and materials, and the large amount of interest paid for funds the Board were compelled to borrow to carry on the Works, which were mostly completed in October, 1854, while the last of the Stock could not be called in until April, 1855.

Although the Works were set in operation, and Gas manufactured on the 4th day of October, 1854, the number of Consumers during the first ten months up to the 1st August, 1855, was so small, and the loss of Gas occasioned by the great length of main pipe so considerable, that the Secretary's Return to that date showed no profit on the operations of the Company.

On the 20th day of June, 1855, the laying of Gas Pipes on the Canal was completed, and the lighting of the Locks and Bridges under the contract with the Department of Public Works commenced; but owing to the extensive leakage from causes already assigned, and the numerous accidents which were constantly occurring to the Canal Pipes from the subsiding of the banks, difficulties in carrying the line under the numerous lateral channels, and finally the collapsing of the Gasholder in December, 1855, occasioned a heavy expenditure, absorbing the whole income of the Company up to the period of the Secretary's Second Return, on the first day of March, 1856.

The Shareholders will readily understand that no ordinary foresight or precaution could guard against a heavy leakage on so great a length of pipes, compared with the quantity of Gas consumed.

The following is the length of Pipes, and consumption of Gas during the past year, (from 1st February, 1855, to same date in 1856):—

Pipes.—In St. Catharines,	10,000 feet, or 34 miles,
On the Welland Canal,	26,600 feet, or 5 1-12 miles,
Total,	About 81 miles.

Gas Consumed.—In St. Catharines,

"	On the Canal,	2,183,300 feet,
"	Thorold Village,	1,458,010 "
"	Mills, &c., along the Canal,	100,300 "
"		20,450 "
Total consumption,		3,761,060 feet.

In the case of all other Gas Companies having the same length of Pipes, the consumption is five-fold greater, and the loss correspondingly less.

Under these circumstances, the Directors were disinclined to make a public statement of the affairs of the Company, which a Report to the Shareholders would do, as any report they could make would only effect the value of the Stock prejudicially; and they entertained the hope that the next half year would enable them to accompany their Report with an acceptable dividend.

They are now happy to inform the Shareholders that the Works have at length been brought into a good working condition; the Accounts and Returns so systematized as to afford a ready check on all expenditures; the expense of repairs materially diminished, and the business of the Company rendered profitable.

By the appended Statement, the balance at the debit of the Gas Account on the 1st of March, 1856, was £3 3s. 9d. The same account now shows a profit of £1,472 16s. 8d. If to this be added the sum transferred to the Metro Account, (£225,) towards its liquidation, it will exhibit a profit of £1,700 9s. 3d. on the last year's business, being 84 per cent. on the capital of the Company, which has principally been earned since the 1st of May, 1856. A large portion of the profit being in Coals in store, Debts due to the Company, &c.; it is not deemed prudent to make a larger dividend than will be covered by the balance on hand with the Treasurer, and the debts immediately available. The Board has accordingly passed a Resolution declaring a dividend of five per cent. on the paid up Stock, to be payable on and after the 16th of March next, at the Bank of Upper Canada here.

From the present prospects of the Company's affairs, the Directors are of the opinion that they will be able to pay a similar dividend at the close of the present half year, (1st September next,) and that thereafter it may be maintained at the same rate.

HIRAM SLATE,

Secretary.

W. H. MERRITT, Jr.,

President.

St. Catharines, 21st February, 1857.